

MINUTES
TENNESSEE HIGHER EDUCATION COMMISSION
July 24, 2008, 1:00 p.m. CDT

The meeting was called to order by Chairman Katie Winchester at 1:20 p.m.

Commission Members present:

Ms. Jessica Brumett
Mr. Riley Darnell
Mr. David Holt
Mr. Cato Johnson
Ms. Carolyn Morrison
Mr. Jack Murrah

Dr. Gary Nixon
Mr. Dale Sims
Mayor A C Wharton
Mr. Robert White
Ms. Katie Winchester

Adoption of Agenda

Ms. Winchester welcomed all and thanked them for their attendance. She then called on Dr. Rhoda to introduce the new Commission members and special guests. Dr. Rhoda introduced Ms. Carolyn Morrison, representing the 6th congressional district; Ms. Jessica Brumett, representing the Tennessee Board of Regents system from Tennessee Technological University; and Mr. Cato Johnson, representing the 7th congressional district. He also introduced Mr. Jim Murphy, vice chair of the UT Board of Trustees, and Mr. Bob Thomas, vice chair of the Tennessee Board of Regents.

Ms. Winchester then called for a motion to adopt the agenda. Mr. Dale Sims made a motion to approve the agenda. Mr. Cato Johnson seconded the motion; the motion was duly adopted.

Approval of Minutes, April 24, 2008, Meeting

Ms. Winchester called for a motion to approve the minutes of the April 24, 2008, Commission meeting. Mr. Riley Darnell made a motion to approve the minutes as presented. Mr. Robert White seconded the motion; the motion was duly adopted.

Chairman's Report

Ms. Winchester began her report by noting the productive work session earlier in the day. She then called on Mayor A C Wharton to brief the Commission on the new community college tuition initiative. Mayor Wharton briefly discussed the free tuition initiative and the positive impact it would have on the entire State of Tennessee as a whole. Dr. Rhoda presented the staff recommendation that the Commission formally endorse this initiative, which is aligned with the THEC Master Plan and the Making Opportunity Affordable program. Mr. Darnell commended Mayor Wharton for his work on this initiative. Mr. Johnson stated that this program has been well received by the City of Memphis and Shelby County by the public and private sectors. Mr. Sims made

a motion to adopt the recommendation to support this initiative. Mr. Johnson seconded the motion; the motion was duly adopted.

Executive Director's Report/Tennessee Student Assistance Corporation

Dr. Rhoda was recognized to provide his report. He briefly reviewed the resolutions of appreciations for Wendell Gilbert, Sondra Wilson, and Ransom Jones. Mr. Sims made a motion to approve the resolutions. Mr. Darnell seconded the motion; the motion was duly adopted. Dr. Rhoda then introduced Scott Boelscher, graduate assistant in the GEAR UP division. He then noted the departure of Ronald Williams, who accepted a position as Associate Provost at Western Illinois University.

Dr. Rhoda discussed 2008-09 budget restrictions, including a hiring and travel freeze. He noted that the THEC operating budget is austere, but sound. He then discussed a Tobacco Use Cessation and Prevention grant in the amount of \$1 million for use in the nine GEAR UP counties.

Dr. Rhoda briefly discussed his recent appointment as Interim Executive Director of TSAC and reviewed the status of recent TSAC audit reports. He stated that there were a number of findings and THEC staff are working to quickly resolve the problems. He noted that he had been asked to testify before the Fiscal Review Committee on August 13 to inform them of the progress made.

Dr. Rhoda noted a TSAC called meeting on July 23 to consider rule changes to the lottery scholarship and other programs, necessary as a result of legislative changes. He then discussed combining the THEC and TSAC audit committees.

Dr. Rhoda then called on Dr. Russ Deaton to provide an update on a recent BEST Board meeting. Dr. Deaton briefed the Commission on the two types of college savings programs, the pre-paid program and the 529 savings program, and noted that Tennessee has operated both programs through the Baccalaureate Education System Trust (BEST). He advised that Tennessee phased out the 529 savings plan and partnered with the State of Georgia to form the newly named Path-to-College 529 Savings Plan. He noted that this plan is the same as other states' plans and is fully portable, allowing students to attend any institution of their choice.

Dr. Rhoda then called on Mr. David Wright to present information on the Making Opportunity Affordable initiative. Mr. Wright stated that Tennessee ranked 45th in the nation or 29 percent of adults that held an associate degree or higher and although there has been a steady increase in enrollment, Tennessee would need to graduate 140,000 students to meet the southern region average of 34 percent. He stated that in response to the low percentage of degree holders, Tennessee applied for participation in the Making Opportunity Affordable initiative, funded by the Lumina Foundation, aimed at productivity enhancement in higher education, which would increase the productivity of degrees with the same funding.

Systems' Reports

Tennessee Board of Regents

Dr. Charles Manning, Chancellor of the Tennessee Board of Regents, was recognized to present his report. Dr. Manning thanked the Commission for allowing him to discuss medical funding at the work session earlier in the day. He thanked Mayor Wharton for his work on the community college initiative. He then discussed the status of a new system that collects data to assist with enrollment, admissions, and student records.

University of Tennessee

Dr. John Petersen, President of the University of Tennessee, was recognized to present his report. Dr. Petersen commented on the discussion regarding appropriations and tuition increases, held earlier at the work session. He thanked THEC for flexibility in how the appropriation reductions were allocated, allowing UT to balance the tuition increases and budget cuts by institution, as necessary. Dr. Petersen stated that although the economic outlook was difficult, applications have increased from last year at the UT institutions. He informed the Commission of a new system-wide student information system that UT generated and is in the process of implementing, starting at the UTC campus. In closing, he briefly discussed the partnership with Dupont with respect to the UT biofuels initiative.

Academic Affairs

Update on the Performance Funding Program

Ms. Betty Dandridge Johnson was recognized to present an update on the Performance Funding Program. Ms. Johnson briefly discussed the program's purpose, which is to stimulate institutional improvement and student learning as institutions carry out their respective missions. She stated that the third year (2007-08) of the current cycle has ended with institutions reporting on their performance in August 2008 and that performance from academic year 2007-08 will be used in the FY 2009-10 funding formula allocation. She also discussed the new features of the 2005-10 performance funding cycle, which serves as the assessment piece for the state-wide master plan. She noted that the features: capitalize on availability of national benchmarking tools (e.g., student engagement surveys, instructional cost studies and retention/persistence rates); recognize the regional accreditation process in using performance funding data and other assessment tools for student learning and institutional improvement; encourage institutional focus on outcomes rather than processes; use institutional formula peer sets to benchmark retention and persistence rates; continue to stress transfer student success; and continue to emphasize employer feedback. Ms. Johnson also noted that the Performance Funding program is redesigned periodically to keep it responsive to changing environments, but provides for meaningful evaluations of student performance, academic programs and other institutional indicators over time.

Institute of Public Health Status Report

Dr. Linda Doran, Associate Executive Director for Academic Affairs, was recognized to provide this report. Dr. Doran reported that the Tennessee Institute of Public Health staff continues to build the framework for its operation and sustainability. She noted that under Dr. Beth Fuller's leadership, the Strategic Plan for the Institute has been completed, operational bylaws are nearing completion, and an advisory committee within the larger Board of Directors is being formalized. Dr. Doran also stated that Dr. Fuller is ensuring that the Institute meets the terms of its initiation grant from the National Network of Institutes of Public Health, and the Institute is disseminating its annual *Tennessee County Public Health Ranking* and individual county profiles to various users across the state.

P-16 Status Report

Dr. Gary Nixon, Executive Director, State Board of Education, was recognized to provide the P-16 status report. Dr. Nixon discussed the importance of college preparation, stating that according to ACT scores; only 1 of 6 students is prepared for college after high school. To address that issue, he stated that K-12 needed to revamp curriculum and raise the rigor in order to obtain a rate of 80 percent of graduates being prepared for college.

Dr. Nixon then briefed the Commission on the dual credit initiative, a program where high school students can take a college course, or high school course aligned to a college course with no tuition or specific requirements. He stated that a student who passes the course can receive college credit and also get first hand knowledge of what a college course is like. This program will also assist with college recruitment efforts if successful. Dr. Nixon posed several questions that should be determined before implementing this program: can the high school teachers deliver the content, are the students mature and trained enough to master the content, and is there a good success rate on the challenge exam. He stated that if the pilot programs were successful, and if the institution and governing board approves it, the State Board of Education will review and if approved, the courses may then become part of high school curricula. Dr. Nixon stated that this program, if successful in the pilot stage, could be a positive step toward getting students enrolled in college after high school.

New Academic Programs

Dr. Doran was recognized to provide an overview of the 20 new academic programs.

1. East Tennessee State University, Ph.D. in Early Childhood Education
2. University of Tennessee Knoxville, Ph.D. in Educational Psychology and Research
3. University of Tennessee Knoxville, Ph.D. in School Psychology

4. University of Tennessee Knoxville, Ph.D. in Counselor Education
5. University of Tennessee Knoxville, Ph.D. in Higher Education Administration
6. University of Tennessee Knoxville, Ph.D. in Exercise and Sport Science
7. University of Tennessee Knoxville, Ph.D. in Nutritional Sciences
8. University of Tennessee Knoxville, Ph.D. in Child and Family Studies
9. University of Tennessee Knoxville, Ph.D. in Retail, Hospitality and Tourism
10. Tennessee State University, M.P.H. in Public Health
11. Austin Peay State University, Mid-Tennessee Collaborative Master of Social Work (MSW)
12. Middle Tennessee State University, Mid-Tennessee Collaborative Master of Social Work (MSW)
13. Tennessee State University, Mid-Tennessee Collaborative Master of Social Work (MSW)
14. University of Tennessee Chattanooga, B.S. in Early Childhood Education
15. Nashville State Technical Community College, Associate of Applied Science in Paralegal Studies
16. Nashville State Technical Community College, Associate of Applied Science in Healthcare Management
17. Nashville State Technical Community College, Technical Certificate (30 semester credit hours) in Office Administration
18. Nashville State Technical Community College, Technical Certificate (29 semester credit hours) in Accounting Technology
19. Nashville State Technical Community College, Technical Certificate (24 semester credit hours) in Medical Transcription
20. Nashville State Technical Community College, Technical Certificate (24 semester credit hours) in Medical Coding

Dr. Doran briefed the Commission on logistics of the programs. After discussion, Ms. Winchester called for a motion. Mr. Darnell made a motion to approve. Mr. White seconded the motion; the motion was duly adopted.

Temporary Authorization of New Institutions, and Approval of New Programs Under the Postsecondary Authorization Act

Dr. Stephanie Bellard-Chase, Associate Executive Director for Postsecondary School Authorization, presented the recommendations of staff and the Postsecondary Education Authorization Advisory Committee to grant temporary authorization to proposed new institutions and new programs. A listing of the institutions and programs are included as Attachment A to the official copy of

the minutes. A motion was made by Mr. Darnell to adopt the recommendations as presented. The motion was seconded by Mr. Murrah. There being no further discussion, Ms. Winchester called for a vote on the motion that was duly adopted.

Dr. Bellard-Chase then discussed the staff and committee recommendations for approval of Mr. Larry Griffin and Mrs. Joyce Searcy for appointment to the Postsecondary Advisory Committee. A motion was made by Mr. Darnell to adopt the recommendations as presented. The motion was seconded by Mr. White. There being no further discussion, Ms. Winchester called for a vote on the motion that was duly adopted.

Fiscal Affairs

Audit Committee Status Report

Mr. Jim Vaden was recognized to provide a report on the Audit Committee. Mr. Vaden discussed the Audit Committee meeting where the members considered and approved the staff recommendations regarding the 2008 risk assessment process. He stated that this was the second year of the risk assessment review required under the program. He also stated that the assessment was performed and approved by the Audit Committee, which resulted in the creation of a comprehensive fraud, waste, and abuse policy, which is currently under review. Mr. Vaden then noted the loss of two members of the audit committee whose terms on the Commission had expired, Mr. Ransom Jones and General Wendell Gilbert. He also noted that Mr. Jack Murrah and Mr. Robert White have agreed to fill those vacant positions.

In closing, Mr. Vaden discussed the provision in the Appropriations Bill that directed THEC to assist TSAC in cost saving efforts by consolidating administrative and other functions. He stated that staff recommended merging the three member THEC Audit Committee with the three member TSAC Audit Committee for joint meetings, joint staffing, and other audit committee activities. There being no further discussion, Ms. Winchester called for a motion on the staff recommendation. Mr. Murrah made a motion to approve the staff recommendation of merging the THEC and TSAC audit committees. Mr. Cato Johnson seconded the motion; the motion was duly adopted.

THEC Space Planning Guidelines

Dr. Stephanie Steele, Assistant Director of Fiscal Policy and Facilities Analysis, was recognized. Dr. Steele briefly discussed the THEC space planning guidelines and the committee that has been established and noted the site visits that have taken place. She stated that ten institutions have been visited this summer, and six more will be visited within the next few weeks. Each institution visited is providing information on facilities, utilities, enrollment, staffing, and other data. The information gathered will be used to create general space planning guidelines to be used at the different types of institutions in the state. The guidelines will provide THEC with accurate

estimates and analysis of space requirements for campus facilities and will assist the UT and TBR systems in development of campus master plans and capital projects. Draft recommendations will be submitted to THEC in October. Findings will be presented at a future date.

Consideration of the FY 2008-09 Operating Budgets

Mr. Jim Vaden, Chief Fiscal Officer, was recognized to present the FY 2008-09 Operating Budgets. He briefly discussed the staff analysis tables and noted that all guidelines had been met. Mr. Vaden recommended that the Commission approve the budgets as presented and the Executive Director be given authority to make technical adjustments as necessary. After discussion, Ms. Winchester called for a motion to approve the budgets. Mr. Jack Murrah made a motion that the Commission approve the FY 2008-09 July 1 operating budgets and authorize the Executive Director to make appropriate technical adjustments, if necessary, and transmit the original 2008-09 July 1 budgets, along with the appropriate commentary, to the Commissioner of Finance and Administration for their review and approval. Mr. Dale Sims seconded the motion; the motion was duly adopted. The budget recommendations are included as Attachment B to the official copy of the minutes.

GEAR UP Status Report

Dr. Deborah Boyd, Associate Executive Director for P-16 Initiatives, was introduced to provide a report on the GEAR UP activities. Dr. Boyd called on Ms. Wendy Tabor to present an update on a communication campaign and a College Access Challenge Grant.

Dr. Boyd then discussed the activities the GEAR UP office completed over the summer: the Inaugural Youth Summit that was held in June and over 200 students from the nine GEAR UP counties participated; the GEAR UP Tennessee Leadership Institute; the Annual College Access and Success Conference.

Administrative Items

Election of the 2008-09 Officers

Ms. Winchester called on Mr. Robert White for discussion. Mr. White reviewed the current slate of officers and made the following nominations.

Ms. Katie Winchester – Chair

Mr. Jack Murrah – Vice Chairman

Dale Sims – Vice Chairman

Mayor A C Wharton – Secretary

Ms. Winchester called for a motion to approve the nominations. Mr. White made a motion to approve. Mr. Darnell seconded the motion; the motion was duly adopted.

Fall Commission Meeting

Dr. Rhoda advised the Commission that the Fall quarterly meeting will be held on November 20, 2008.

There being no further business, the meeting was adjourned at 3:20.

Approved:

Katie Winchester
Chair

A C Wharton
Secretary